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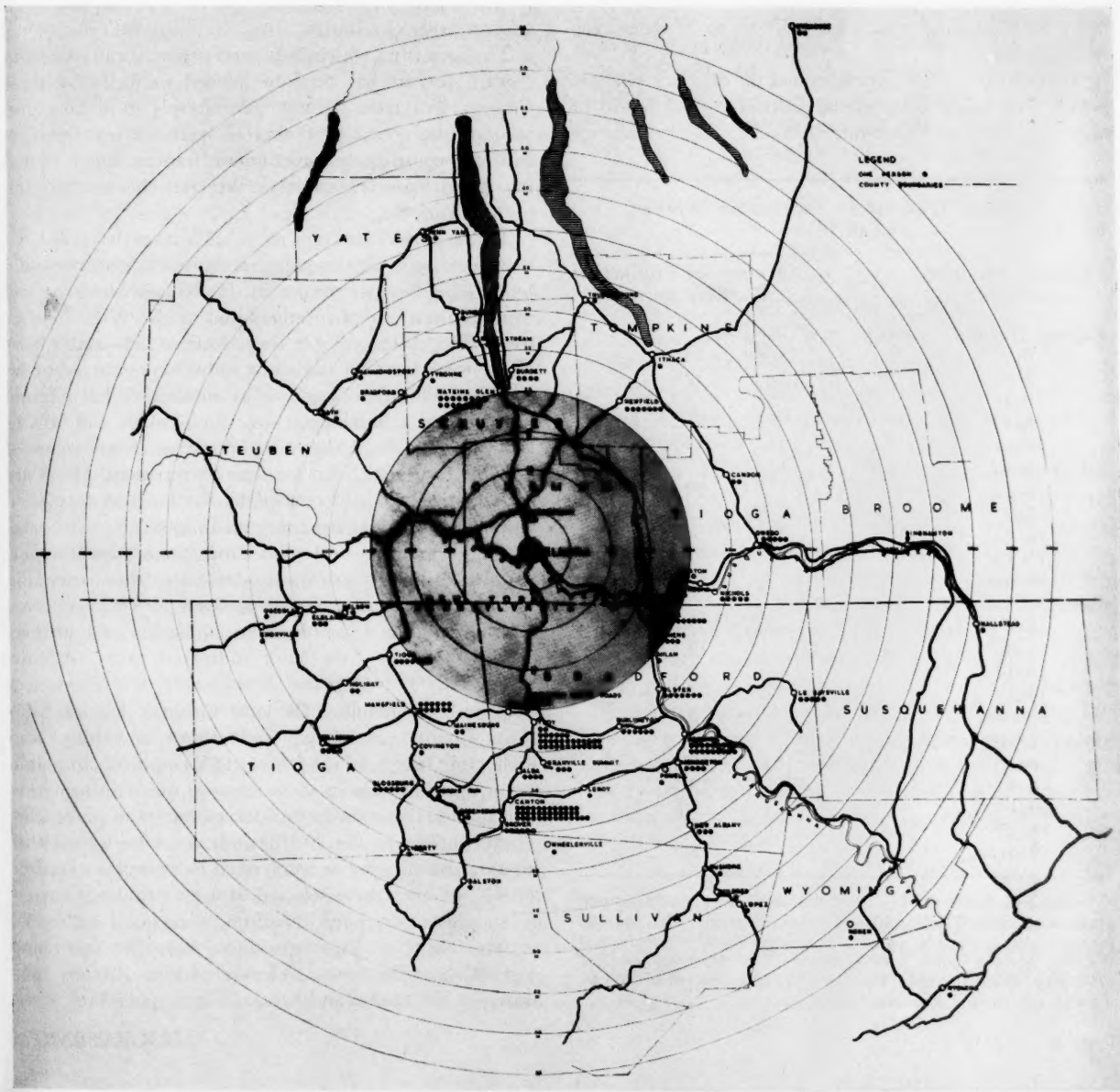

Long-Distance Commuters . . . . page 2

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LONG-DISTANCE COMMUTERS

Characteristics and Importance in the Industrial Work Force

by Leonard P. Adams

SHORTLY after the end of World War I, over 80 percent of the work force of one of the largest industrial plants in the eastern part of the United States lived within the limits of the city in which the plant was located, and 93 percent lived in the country in which the city was located. About 1 percent of the workers came from distant communities. In 1951, only 54 percent of the work force of this plant came from homes within the city, and only 70 percent came from within the county. The rest of the workers commuted from homes in six different adjoining counties surrounding the job-site county, except for 600 rugged individuals who traveled even farther to work. Some of these people traveled daily 80 to 90 miles each way to work.

This case history illustrates one of the dramatic changes which have taken place in the journey-to-work habits of many workers in this country. Such a radical change could not have occurred without improved roads and widespread ownership of automobiles. But greater facility of transportation has also produced changes in preferences with respect to housing and to the time and money people are willing to spend in making the trip between home and place of work. Also, practices developed during World War II have modified the ideas workers had about feasible or desirable commuting distances. Many of those who first began to travel long distances during the emergency have continued to do so. As the 1950 *Census of Population* shows, the greatest growth in many parts of the country has been in the suburban areas outside city limits.

Distances Traveled by Production Workers Fall 1951

Distances Traveled (Miles)	*Average of Production Workers Surveyed*
Capital District	
0–4	56.9%
5–9	17.0
10–14	7.1
15–19	8.2
20–over	10.8
Binghamton	
0–4	79.4%
5–9	12.3
10–14	4.4
15–19	2.0
20–over	1.9
Elmira	
0–4	77.4%
5–9	10.5
10–14	3.3
15–19	5.7
20–over	3.0
Sidney, Owego, Norwich	
0–4	58.5%
5–9	13.5
10–14	9.5
15–19	10.4
20–over	8.0

The area from which industrial concerns can expect to recruit workers has been broadened radically by these changes. Estimates of local labor supply must take into account the actual or potential availability of workers who will consistently travel long distances. These changing journey-to-work patterns therefore become an important variable.

This report covers one phase of a recently completed study dealing with the place in the work force occupied by the long-distance commuter. How important are these workers in terms of numbers and skills? Why do they travel long distances? Are they likely to be a stable part of the work force for particular employers or are they inclined to shift from one job to another? What circumstances have a bearing on how far workers will travel? Is distance by itself the most important determinant of the area from which workers can be recruited? What are some of the problems created by the long-distance commuter both for management and unions?

The information on long-distance commuters (for purposes of this study arbitrarily defined as those traveling 20 miles or more each way from home to work) reported here was obtained mainly from employers and workers in three upstate New York industrial areas: Albany-Schenectady-Troy (Albany, Schenectady, and Rensselaer Counties), Binghamton (Broome County), Elmira (Chemung County), and from single plants in Sidney, Norwich, and Owego. In the fall of 1951, employers in manufacturing industries in these areas supplied information showing the distances from workers' homes to plant sites. Those workers in the 20-mile-and-over zone were either interviewed at home or were asked to answer a questionnaire. The areas were selected so as to provide a variety of experience in large, medium, and small industrial centers. The two maps reproduced here (see cover and page 4) show the home addresses of long-distance commuters in the Elmira and Albany-Schenectady-Troy areas.

Leonard P. Adams is director of Research and Publications and professor, School of Industrial and Labor Relations. The material for this article is based on a study, *Commuting Patterns of Industrial Workers*, directed jointly with Professor T. W. Mackesey, dean of the College of Architecture. The study will be published in 1955 by the Cornell Housing Research Center.

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Importance

The table summarizes the principal findings concerning distances traveled by production workers in the areas mentioned. With respect to long-distance commuters, two significant facts are shown by the area averages and the details for individual plants: (1) The proportion varies considerably from one plant to another within the same area; (2) An area pattern also develops because most workers live relatively close to their work in the Binghamton and Elmira areas, but more than 10 percent travel over 20 miles in the Sidney and Norwich areas.

How can these variations be explained? There is a variety of answers, some of which have to do with plant location relative to population centers and such matters as company housing policies. The timing, rate of growth, and location of plant expansions in some situations have been the principal factors. Worker preferences for home location also play a part. It is not safe to generalize on the basis of the data available; the importance of the long-distance commuter varies considerably from one area to another and from one plant to another.

Characteristics

Certain generalizations can be made about the personal characteristics and commuting practices of these long-distance commuters. Two thirds or more were married men in the 20–50 age bracket. In this respect, there is probably little difference between the long-distance commuters and men in the general working population. In two areas, the proportion of women was considerably below the average employment of women in the factories of the state, but in individual plants in Sidney, Norwich, and Owego it was above average, mainly because of the nature of the work. More than half of the long-distance commuters owned their own homes and nearly half had lived in the same house for five years or more. Less than 10 percent were part-time farm operators. No particular difference was apparent in general occupational skill between long-distance commuters and other workers at the same plants. About two thirds had been employed by the same employers for over a year. This general picture has some significant variations and implications as the more detailed discussion that follows points out.

Duration of Employment and Residence

More than one fourth of 1,344 long-distance commuters in 21 plants had been working for the same employer for five or more years. More than one third had been working for their present employer less than one year. Length of employment, especially in Sidney and Norwich, was largely influenced by the rapid expansion of employment following the outbreak of the Korean war. The plant at Norwich had been in operation less than five years.

On the average, long-distance commuters had lived in their present houses longer than they had held their current jobs. Only one fourth had been working in the same place for as long as five years, but 40–50 percent had been living in the same house for five or more years. Job mobility was greater than residence mobility among this group of long-distance commuters.

Mode of Transportation and Time Consumed

About 98 percent of the long-distance commuters drove their own cars to work or were members of share-the-ride pools. There were no significant differences among areas in this respect.

Over half of the long-distance commuters, except in the Binghamton area, got to work in the summer in an hour or less. But less than 20 percent managed to make their trips within this time period in winter. In cold weather, about half of them required 15 minutes more for the trip.

The proportion of the group who got to work in an hour during both summer and winter in the Capital District was greater than in any area, except for the workers in the one plant in Norwich. This fact no doubt helps explain the relatively large proportion of long-distance commuters in the Capital District. About the same proportion in each area, however, said they got to work in an hour and fifteen minutes during the summer. These data suggest that in setting commuter boundary limits the difference between winter and summer driving time should be taken into account. A time allowance of about one-and-a-half hours was required by more than 90 percent of the long-distance commuters in summer. Another fifteen minutes was required in winter.

Attitudes toward Housing

Do those who travel long distances to work do so by choice or because they feel they must? The 20-mile-and-over group was asked to express opinions on such matters as the adequacy of housing, their willingness to move, and other related matters.

In answer to the question—Would you move closer to work if you could get good housing at a reasonable price?—about 60 percent of the 1,354 long-distance commuters in all areas said "No." The reason most frequently given was general satisfaction with the present home or neighborhood. About 80 percent of those in the Sidney and Norwich areas said they would not move.

Since each worker was asked to give his reasons for not being willing to move, the replies often contained more than one explanation. The three most frequently mentioned were: general satisfaction with home and neighborhood, own home, prefer small town or country life to life in industrial area. The expectation that their jobs would last only a short time was mentioned by less than 10 percent.

Of the other 40 percent, the largest proportion who said they would move in both the Capital District and Elmira areas was in the group who had lost seven or more days of work in the past year because of travel conditions. Most of those who indicated a willingness to move were renters rather than home owners.

About a quarter (331) of the long-distance commuters in all areas said they had moved since they started work on the jobs they held when the survey was made. Of this group, 93 had moved into the long-distance commuter zone. Of those who already lived 20 miles or more from place of work, 69 moved closer to work, 79 moved farther away, and 90 stayed about the same distance.

Conclusions

Several tentative conclusions with respect to the long-distance commuter seem warranted.

1. A substantial part of the work force for industrial plants in some areas comes from city suburbs, surrounding small communities, and open country residences. This is not a temporary condition; it has been developing over the last thirty years, and the trend seems likely to persist. In estimating manpower resources, therefore, the effective area of labor supply should be defined so as to include the bulk of those traveling 20 miles and over. In many areas, a radius of 30 to 40 miles will be an effective limit. But, in determining these limits, some spot checks with local employers who recently have added substantially to their work forces may be necessary in trying to set realistic boundary lines.

When unemployment occurs, the effects extend beyond the immediate plant site area to the villages and suburbs from which workers have been recruited.

2. Commuting patterns change considerably as the demand for workers expands and contracts. Present trends indicate that a larger part of the work force will come from the long-distance commuter group in the future.

3. Industrial management can influence the extent to which people will travel long distances to work by its policy of new plant location—that is, by taking the work to within commuting distance of the labor supply; by making available adequate parking space, entrance and exit roads to plants; and by taking other steps to minimize the time required to get to work once the worker arrives near the plant gate.

4. Two thirds or more of the open country residents in many parts of the state are dependent *on industrial jobs*, not on farming, for a living. Very few of these people try to work a farm and hold an industrial job at the same time. A majority are permanent country residents who are "urban" by day and "rural" by night. They prefer to live in the country or in small villages. Most of these people are more likely to change jobs than their place of residence.

These findings in part present numerical evidence of recognized trends. The evidence goes beyond mere verification, however, and shows that rural residents in some areas constitute a significant source of manpower for non-agricultural employment. Increased geographic mobility of workers without change of residence has opened up new possibilities for recruiting workers and suggests the need for new definitions of labor supply areas.

MULTIPLE LOYALTIES

A Challenge to Hospital and Business Administration

by Temple Burling

IN RECENT years, the marked increase in the use of hospitals, advances in treatment, a severe shortage of personnel, and skyrocketing costs have made the American hospital a scene of extremely rapid change. There have been recurrent strains, the necessity for readjustment and new planning, and the end is not in sight.

While many of the problems are peculiar to the hospital, others may be observed in incipient stages in many other organizations as well. One change, which is far advanced in the hospital, is that increasingly employees look for standards and guidance not only to their supervisors but to outside professional and semiprofessional organizations.

The American Hospital Association, hoping that an objective study of human relations in hospitals would be helpful to superintendents and boards of trustees who must meet changing times and to people charged with developing training programs for hospital supervisors, requested the School of Industrial and Labor Relations at Cornell University to make such a study. This was financed in part by the School and in part by a grant from the Carnegie Corporation of New York.

Six general voluntary hospitals were studied, ranging in size from about 500 beds to less than 50 and in location from a metropolis to semirural communities. The members of the research team spent from 2 to 12 months in each hospital observing the activities in each department and interviewing a large percentage of each group from trustees to casual laborers.

Hospital Administrators Face Unique Problems

As hospital superintendents have faced the need to reorganize their institutions, they have turned to the experience of industrial organizations for guidance. For example, until recently most hospitals have handled personnel problems informally and individually. But as hospital administration has become more complex, the necessity for uniform, written personnel policies and for a centralization of personnel activities has become evident. Hospital administrators are employing personnel directors and adapting the successful methods of industrial management.

Our study has underscored the obvious fact that a hospital is different from a factory and that the hospital superintendent should *adapt* rather than *adopt*. The work load is extremely irregular and the possibilities of ironing it out are extremely limited. The superintendent can't accumulate an inventory of tonsillectomies or order a batch of appendicitis cases for an anticipated slack period. Needs must be met when they occur and they occur with extreme irregularity. Also the work flow is inevitably very complicated. Straight-line production is impossible. The patient cannot be handed on from one worker to another, but the activities of many different departments in the hospital must converge upon him at the same time.

Again, the possibility of standardized work routines is limited. Patients and their problems differ and their progress can be predicted only to a limited extent. Improvisation to meet crises becomes routine. Perhaps the industrialist would say that all these differences are matters of degree, but matters of degree make a great deal of difference in the organization and methods which are most effective. The organization and methods of coordinating efforts are in fact distinctly different in the hospital from those in most factories.

Influence of Professional Groups in Hospitals

Hospitals are increasingly made up of semi-independent groups, which are professional or are on the way to becoming so, united by a common purpose to serve patients but exercising varying degrees of judgment as to how their services are to be given. This has always been true of the central worker, the physician. The doctor is not an employee of the hospital but a "guest." He owes his first allegiance to his patients and his second to his profession and its organizations. His loyalty to the hospital is clearly third, although loyalty to his patients entails loyalty to an essential partner in patient care. But it is a shared concern for patient welfare, rather than a line of hierarchical authority, that enables him and the other workers to collaborate harmoniously.

Other staff groups are moving in the same direction. The nurse has traditionally carried out the doctors' orders unquestioningly. But this tradition is changing, because newer methods of treatment call for more nursing judgment between doctors' visits and because the state and national nursing organizations more and more are prescribing appropriate nursing care and behavior. For example, professional nursing has influenced state regulations which limit the services which can be demanded of student nurses and the proportion of the time spent on nursing floors, away from classroom instruction. Nurses, like doctors, owe an allegiance to the purposes and policies of their professional organizations as well as to the hospital which employs them.

Temple Burling is professor, School of Industrial and Labor Relations. The material for his article was developed during the course of a three-year study of six hospitals sponsored by the American Hospital Association and financed mainly by the Carnegie Foundation. The study will be published in 1955 by G. P. Putnam's Sons, New York City.

And other groups are moving toward professional standing. Social workers came to the hospital with a history of independent practice and carried traditions of professional responsibility and independent judgment into the new situation. While recognizing the final authority of the doctor, they feel that a part of their responsibility is to make doctors aware of the importance of social factors in patient care. They do not hesitate to bring to the individual doctor's attention facts about the patient which they feel he has overlooked.

Laboratory and X-ray technicians, physiotherapy workers, medical records librarians, and dietitians all have their organizations which are assuming professional responsibilities in promulgating, maintaining, and raising standards, and for self-discipline. Among nonprofessional workers, while union organization is still not prevalent, it appears to be increasing.

This semi-independence affects hospital organization. The director of laboratories, for example, has considerable control not only over the organization of his department and the way the work is to be conducted but over deciding what tests are relevant to the problems presented and which should be omitted. He attempts to enlighten his colleagues in these matters. The instructions which the attending physician gives to the dietitian, the physiotherapist, and the X-ray therapist are as a rule rather general and the details are left to the judgment of the specialist.

Multiple Loyalties Place a Premium on Leadership

This means that all lines of authority and communication do not converge in the superintendent's office. The superintendent must coordinate the efforts of all the workers in effective patient care, but there are very sharp limits to his ability to do this by centralized planning and the chain of command. His job is increasingly to bring about a situation in which cooperation is facilitated through mutual understanding and the solving of shared problems. His job is primarily leadership rather than administration.

Of course, these differences between a hospital and a factory are matters of degree. Everyone knows that the actual authority structure of an organization is never as simple as shown on an organization chart. Group loyalties develop. The successful executive, whether in a hospital or a factory, has to help groups to resolve their differences of opinion and define their objectives, and this cannot always be done by administrative fiat. And it is only in the line organization that the simple administrative tree is to be found even theoretically. The staff groups must depend not on authority but on mutual understanding with the line leadership. This depends largely upon the skill of top management in maintaining a situation in which understanding can develop.

Many staff people in the factory have received much of their training in professional and semiprofessional schools and are members of outside organizations to which they feel some professional loyalty. While these organizations have not taken on responsibility for enforcing standards and discipline, their standards for membership often imply standards of performance. They may well become more professional in their activities. Unions expect and receive strong loyalty from their members, and they increasingly interest themselves in policies. The line which demarcates management prerogatives seems to be a wavering one.

Increased professionalization of staff and the growth of unions suggest that the job of the factory superintendent is becoming more like that of the hospital administrator. I have spoken of the debt of hospital administrators to industry for sound personnel policies. Perhaps they will repay this debt through their discoveries in the art of coordinating semi-independent groups into an effective unity. And it may even be that industrial executives could study with profit the hospital for its likenesses and contrasts to the situation which they know.

ILR *Research*

ILR *Research* presents brief summaries of selected School research findings. It is hoped that the articles will be of interest to those concerned with current problems. The next issue will appear in March 1955.

Suggestions and comments on the need for such a publication and on the materials presented will be welcomed by the Editor.

For the present, **ILR *Research*** is distributed without charge. Additional copies may be obtained by writing to the Distribution Unit, ILR School, Cornell University, Ithaca, N. Y.

The Interindustry Wage Structure, 1899-1950

by Donald E. Cullen

WITHIN the past twenty years, the problems arising from the growth of industrial unions and from governmental attempts at wage regulation have served to shift the attention both of economists and of labor relations practitioners away from the wage level of the firm to that of the industry. Unions and government wage-regulating agencies have given some the impression of desiring to fix wages on the simple assumption of "what's good for one industry is good for all." On the other hand, many employer spokesmen have opposed the spread of pattern bargaining, uniform escalator and productivity clauses, minimum wage laws and the like, professing to see in this trend a danger to the flexibility of wages deemed necessary to the successful operation of a dynamic economy.

Just how flexible are interindustry wage levels? How rapidly does the wage level of a group of "typical" manufacturing plants (an industry as defined by U. S. Census) rise or fall in relation to the wages paid in other industries? What has been the impact upon this wage structure of the recent activities of unions and governments in the area of wage determination? In an attempt to answer these and similar questions, the author made a study of changes in the interindustry wage structure during the first half of the century.

Problems of Measurement

The first task was to solve two methodological problems: which measure of wages should be employed, and which industries should be studied? In each instance, the answer was determined by the nature of the available data. Hourly earnings data are unavailable for most industries prior to the 1930's, but the annual earnings of workers in manufacturing industries can be computed from the figures gathered by the *Census of Manufactures* in eighteen different years during the 1899–1950 period. Several comparisons were made of annual and hourly earnings which indicate that these two measures bear a strong relationship to one another; that is, the ranking of industries by the average *hourly* earnings paid in a given year is nearly identical with the ranking of the same industries by average *annual* earnings for the same year. For these reasons, it was decided to use average annual earnings as the measure of the wage level of each industry.

In selecting the industries to be studied, it was again necessary to be guided by the data available from the *Census of Manufactures*. Although the Census covered every manufacturing industry in existence at the time of its regular surveys, the many changes which have occurred in both products and processes over the past fifty years have forced the Census Bureau to make constant changes in its industry definitions. Nevertheless, 84 industries were discovered to have maintained a reasonable similarity of definition over this entire period. These 84 industries, which in 1947 employed 29 percent of all production workers in manufacturing, constitute the sample upon which this study is based.

Comparison of Annual Earnings in 84 Industries for Selected Census Years, 1899–1950

Years Compared	*Rank Correlation Coefficient*
1899:1904	+.939
1899:1909	.890
1899:1914	.870
1899:1921	.790
1899:1929	.751
1899:1933	.637
1899:1935	.719
1899:1939	.743
1899:1947	.727
1899:1949a	.607
1899:1950b	.530

Source: Computed from data in U. S. Bureau of the Census, *Census of Manufactures:* 1947, Vol. II, Statistics by Industry.
(a) Data are available for only 71 industries.
(b) Data are available for only 77 industries.

The statistical technique employed can best be described in reference to the above table, in which the results of this study are summarized. The first figure in the table, +.939 for 1904, was obtained as follows: first, the 84 industries were ranked by the average annual earnings of the workers in each industry in 1899; second, the same 84 industries were ranked by the average annual earnings of their workers in 1904; third, the rankings of 1899 were compared with the rankings of 1904 by means of the rank correlation method, which yielded a rank correlation coefficient of +.939. (If the ranking of these industries in 1904 had been identical with their ranking in 1899, a coefficient of +1.00 would have resulted.)

Some Findings

The overriding impression given by the figures in the above table is that the interindustry wage structure has

Donald E. Cullen is assistant professor, School of Industrial and Labor Relations. The material for this article is based on his Ph.D. thesis, "Factors Affecting the Interindustry Wage Structure, 1899–1950," which was accepted at Cornell in 1953.

exhibited remarkable stability over a long period of time. Although the interpretation of any rank correlation is necessarily subjective to a large degree, the correlation of +.727 between the 1899 and 1947 wage structures must be considered significant when one recalls the great upheavals which marked this 48-year period: two world wars, the severest economic depression of our history, the rise of unionism, the increase of govenment intervention in wage determination, and the introduction of new products and processes on an unprecedented scale.

This impression of stability in interindustry wage relationships is further strengthened by a comparison of the industries which comprised the top and bottom quartiles of this sample in 1899 and 1947. Space limitations prevent a listing of the 84 industries covered, and their rankings in the various years. The data upon which the above table is based reveal that 14 of the highest-paying industries in 1899 were among the highest paying in 1947. Also, 15 of the lowest-paying industries in 1899 were still among the lowest paying in 1947. Among the consistently high-wage industries were motor vehicles, petroleum refining, and steel works, while the lowest-paying group included such industries as cigars and cigarettes, canning, textile bags, and confectionery.

The wage structure was quite stable during the "normalcy" of the 1920's. It was dealt a severe shock by the depression of the 1930's, although the former relationships returned so rapidly that there was a correlation between 1935 and 1899 of +.719. The wage structure during the 1899–1921 period was relatively unstable as compared with relationships during 1921–1939. These differences may reflect the fact that the skilled-unskilled wage differential narrowed rapidly during the first period and remained relatively constant during the second. A change in this differential would have obvious effects on average earnings of workers.

The changes which have occurred since 1947 are difficult to explain. One hypothesis is that government regulation of wage *rates* during World War II effectively froze the interindustry wage structure. When the abnormal overtime earnings of the war period were eliminated, the prewar wage structure briefly re-emerged. During the 1949–1950 period, the tremendous changes which had occurred since 1939 in the wage-influencing factors—cost-price relationships, profits, productivity, employment patterns, etc.—finally came to be felt in the wage structure itself.

The correlations presented in the above table do not indicate a completely stratified manufacturing economy in which the forces of competition exacted no toll and offered no rewards. Industries do rise and fall in public favor, and in their relative efficiency, profitability, market control, etc., and at least some of these changes are reflected in relative wage levels. On balance, however, the interindustry wage structure has been shown to be much more stable than either wage theorists or practitioners would expect.

Implications

There are many implications in this finding. For example, it is difficult for this author, in view of these data, to share the concern of many over the dire potentialities of pattern wage bargaining. Over most of this 1899–1950 period, unions were quite weak, yet the wage structure changed very slowly; on the other hand, one of the periods of greatest change in relative wages occurred in the very years, 1947–1950, when unions were strongest.

The stability of interindustry annual earnings might also give pause to both the opponents and supporters of minimum wage legislation. The strong tendency which was noted for many industries to remain relatively low-wage industries over this entire period exposes the futility of expecting such industries to better their position in the long run, "if only the government would cease tampering with the free market." This same tendency, however, poses a difficult problem for the proponents of minimum wage laws, for if the problem of substandard wages is centered in the same industries for decade after decade, then the remedy would seem to involve basic action designed to strengthen the entire economic structure of these industries, rather than a general law fixing an artificial minimum wage.

Opinions will differ as to whether the stability of this wage structure is so pronounced that it serves to aggravate depressions. By forcing adjustments to be made largely in the volume of employment, rather than in the wage-cost structure itself, a rigid structure of differentials could conceivably intensify a depression although, by the same reasoning, such a structure might help to dampen an inflation.

The picture suggested by the findings is a wage structure flexible enough to allow for many of the dynamic changes necessary in a free economy. Yet, it is stable enough to permit some industries to maintain their position of leadership over half a century while others appear unable to rise from the bottom.

THE ADEQUACY OF COLLECTIVELY BARGAINED MEDICAL CARE PLANS

An Analysis of Two Programs

by Fred Slavick

SINCE 1940, employers and trade unions have been active in bringing about increased coverage of medical care insurance plans and are continuing to seek means of extending and improving the protection provided for employees and their families. In New York State, hundreds of thousands of wage earners and their dependents are currently covered by medical care plans established through collective bargaining or instituted unilaterally by companies and unions. While there is considerable information available on the types and amounts of benefits being received, little is known about the extent to which the benefits provided actually cover the medical bills incurred. Such information is vital if voluntary health insurance plans are to be improved and extended and contribute to a solution of the medical care problem.

In order to throw light on the adequacy of collectively bargained plans, the New York State School of Industrial and Labor Relations at Cornell University has undertaken an intensive study of four plans in an industrial community in upstate New York. The administrative and financial provisions of the plans are typical of many collectively bargained plans currently in operation, and their benefit levels are among the most generous in this and other communities.

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Three of the four plans are underwritten by private commercial insurance companies. Benefits under the fourth program are provided through the local Blue Cross and Blue Shield organizations. The field work and analysis on two of the commercially underwritten plans have been completed, and these programs are discussed in this article.

The two plans discussed here are designated as *Plans A* and *B*. The table below summarizes the principal features of these plans.

Adequacy of Coverage

In order to analyze the degree to which medical care benefits under each of the plans covered actual medical expenses, the author compared the bills submitted by the hospitals and doctors with the duplicate copies of the benefit checks sent to claimants. This was done for each claimant who drew benefits during a twelve-month period, except for the maternity cases.

The medical bills and duplicate benefit checks were on file in the local insurance company office or with the employer, and the author was given complete access to this information. The data were grouped and analyzed on the basis of total family expenditures and benefits. The table on the next page summarizes the results of this comparison.

The protection against hospital costs is impressive. Hospital benefits under *Plans A* and *B* averaged 94 percent and 89 percent of costs, respectively. For the 350 families

Benefit and Administrative Provisions of Two Plans

Item	Plan A	Plan B
1. Coverage—No. employees and families	150	6,000
2. Medical benefits (maximum per illness)		
(a) Hospital	$12 per day for 31 days + $240 for other costs	$11 per day for 70 days + $100 for other costs
(b) Surgical	Up to $250 per operation (based on schedule)	Up to $225 per operation (based on schedule)
(c) Outpatient X-ray and laboratory	Up to $50 per illness	
(d) Doctor visits		
Hospital or home (employee)	$5 per visit	$3 up to $210 for one illness (hospital visits only)
Office (employee)	$3 per visit	
Dependents (hospital or home)	$3 per visit	
Dependents (office)	$2 per visit	
Maximum allowance per illness:		
For employee	$400	
For dependent	$250	
3. Financing	Employer pays all	Shared by company and employees
4. Administration	Local office of insurance company with employer aid	Employer pays claims

Benefits Paid for All Insured Medical Care Compared with Costs		
Item	**Plan A**	**Plan B**
1. Period covered	Feb. 20, 1953 to Feb. 19, 1954	Oct. 1, 1952 to Sept. 30, 1953
2. Number families studied	84	351 (out of 1,296 with claims)
3. Average percent benefits of costs	80% 25% got less than 60%	80% 15% got less than 70%
Hospital Benefits Paid Compared with Cost of Hospital Care		
4. Number families filing claims	36	314
5. Average percent benefits of costs	94% Only 1 family got less than 80%	89% Only 2 families got less than 70%
Surgical Benefits Paid Compared with Cost of Surgical Care		
6. Number families filing surgical claims	39	243
7. Average percent benefits of costs	70% 33% got less than 60%	66% 27% got less than 60%

which incurred hospital costs under the two plans combined, only 21 received less than 80 percent coverage, and only two were covered for less than 70 percent.

As concerns surgery, the fact that benefits are fixed in the schedule while doctors are free to charge any fee they desire has tended to limit the effectiveness of the surgical coverage. Fees for surgical operations vary widely depending upon the particular doctor-patient relationship and the patient's income. It has been said that charges also vary according to whether or not the patient has surgical insurance. As a result, a number of families under the above programs received coverage of less than 70 percent. Hospital costs, like surgical costs, are also fixed, but there is little variation in the charges which a hospital makes for its rooms, drugs, or other services. Thus, a group purchasing hospital benefits can ensure that a vast majority of its members will receive at least a specified level of protection by ascertaining the costs of the various categories of hospital services in its community and then purchasing the amount of benefits necessary to provide the desired protection.

It seems that groups, such as the two mentioned, that have already negotiated liberal surgical schedules, might gain little additional protection by purchasing increased surgical benefits. A more promising approach would be to seek a commitment by the local medical profession either to accept the fees in the schedule as full payment, or to charge no more than a fixed percentage above the fee schedule. Such an approach would require a high degree of cooperation on the part of the doctors, insurance underwriters, employers, and unions. Attempts are currently being made by Blue Shield organizations to work out such arrangements, but under few Blue Shield plans are the doctors obligated to accept the fee schedules as full payment for families with incomes of over $4,000.

Thirty-two of the 150 families covered by *Plan A* incurred costs and received benefits for outpatient X-ray and laboratory services. The plan pays up to $50 for such services for each disability, and in 31 cases this amount covered expenditures 100 percent. In one case, benefits were 83 percent of costs. There is widespread concern among insurance underwriters lest coverage for outpatient X-ray and laboratory services lead to abuse through utilization of such services when not actually necessary. The experience under *Plan A* does not support this conclusion. Out of an eligible population of between 300 and 400, only 57 individuals in 32 families were reimbursed. Greater use of these services by members of *Plan A* might have been desirable in order to help detect diseases in their early stages.

Summary

The two plans analyzed above have made an excellent start in protecting the employees and their families against the costs of medical care. The strongest feature of both plans is the hospital coverage.

The greatest possibility for improvement is in the coverage for surgical and nonsurgical doctors' expenses. For this purpose, the expenditure of greater amounts for insurance premiums in order to purchase larger benefit schedules is not likely to close the gap in coverage. Rather, it is necessary that the medical profession, in cooperation with other interested parties, develop methods of integrating and relating fees with existing benefits schedules.

Does the Conference Leader Talk Too Much?

by H. LeRoy Marlow

How much conference time is a leader himself likely to spend talking? How much time would be an expected or fair share for him? When is the leader consuming so much of the conference time that he is depriving the conferees of an opportunity to participate? These are the questions that may be asked by anyone engaged in the demanding task of leading conferences. These are the very questions, however, that are most difficult to answer.

The nature and purpose of a conference will affect the degree of participation on the part of the leader. Consider the two main types of conferences that a person may be called upon to lead and the objectives of each.

The True Conference

This type is based on the assumption that there are no preconceived solutions or conclusions. Such a conference is also referred to as a straight, unguided, free, undirected, developmental, or open conference. In a conference of this nature, the leader does not try to force his opinion upon the group. In fact, the content may be such that he has had no experience pertinent to the conference topic. The leader is successful if (1) he so stimulates the group that they contribute readily from their experiences pertinent to the topic; (2) the conferees cooperatively use group thinking; (3) he uses his leadership ability to help them formulate their own best thinking directed toward a solution of the problem. This method assumes that the entire group will determine the final outcome. Complete participation is necessary to achieve 100-percent group acceptance regardless of the amount of time it requires.

The Guided Conference

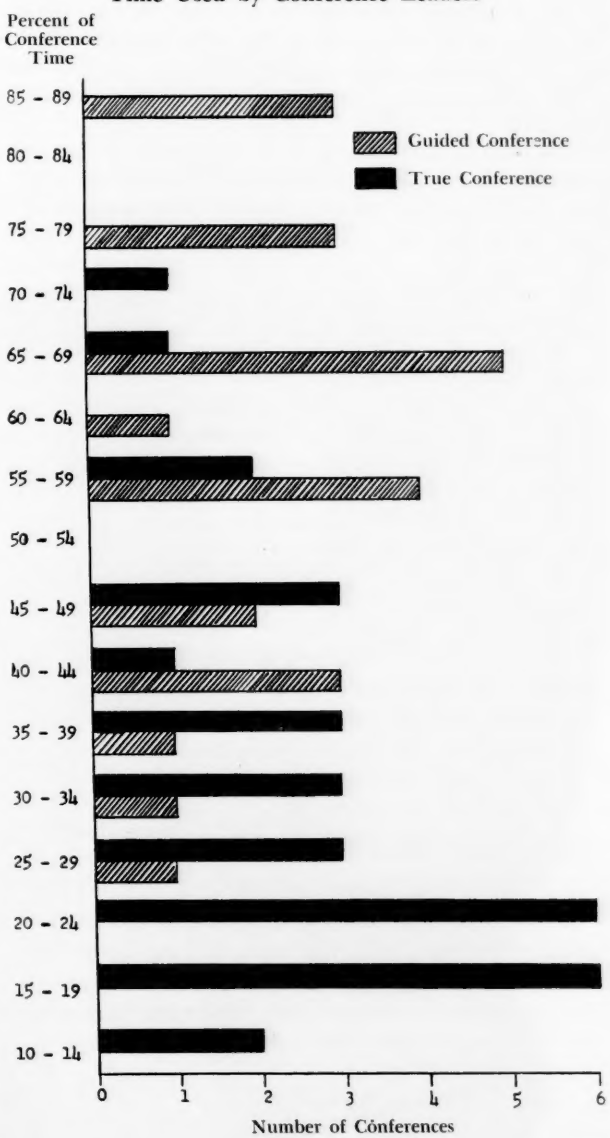
This type differs chiefly from the true conference in that the objective is to provide additional information for members of the group. A teacher-learner relationship is recognized to some extent. In the process, however, experiences are pooled, discussion is free, and the conference approach is conditionally maintained. In a sense, then, the conferees gather to be given answers which are already known in whole or in part to the conference leader and perhaps others. This method is also known by such terms as the directed, teaching, training, educational, controlled, shaped, or instructional conference.

In the guided conference, the leader attempts to lead the group to a predetermined line of thinking and in some cases to a predetermined conclusion. The techniques employed by him differ from those used in the true conference. He strives to maintain his planned course of action in spite of sidetracking questions or answers with which he is not in agreement. The experienced leader may accomplish this by confining the discussion to recognized facts or ideas and by carefully wording his questions. This "steering" may be done in such a manner that the conferees do not resent the guidance applied by the leader.

Measuring Conference Leader Participation

To measure leader participation, a timing device was constructed in order to determine accurately just how

Time Used by Conference Leaders



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much conference time the leader consumed. This device consisted of a synchronous motor which moved a paper tape at a constant rate of speed. The time used by the leader was recorded on this tape as the conference was in progress.

In pooling the results of thirty conferences of the true conference type, it was learned that the leaders spoke, on the average, for one out of every three minutes—32.1 percent of the time. The difference between individual conference leaders was great; the percent of time that the leader was actively participating ranged from a low of 10.2 percent to a high of 71.8 percent.

In a similar study of leaders of twenty-four guided discussions, the dominance factor was even greater. The average leader of a controlled discussion participated in excess of 5½ minutes out of every ten—56.4 percent. In these conferences also, there was a wide range in percentage of time taken by leaders. In no controlled discussion did the leader consume less than 29.9 percent of the time and the maximum was 89.4 percent.

The chart on page 11 presents a breakdown of the percentages of conference time used by the leaders of the guided and true conferences.

Leader dominance was further exaggerated when the leader was a recognized "expert" in his own right. In the conferences of a guided nature, conducted by an expert, the leader took up 73.9 percent of the conference time; no expert consumed less than 55.4 percent. The very nature of such leadership induced the conferees to sit back and ask questions rather than to participate in a discussion.

Leader Attitudes

Most leaders told the author they did not want to dominate the discussion; they were not aware of the situation. Several times, the leaders were asked to estimate the amount of conference time they were consuming. When the actual figures were brought to their attention, they were appalled by the amount of time used by their own talking. Leaders who recognize the value of the conference method and have a desire to improve their own performance may find it worth while to follow Shakespeare's advice, "To hold, as 'twer, the mirror up to nature."

Some causes of leader dominance are: (1) He may be so interested in seeing that the conferees present "get" as much as possible that he actually stifles discussion; (2) He may not have been taught by the conference method and therefore may not have developed a complete understanding of, or appreciation for, the merits of this method; (3) The topic for discussion has much to do with the degree of participation by the leader. If the topic is one in which the group has a genuine interest, the leader will remain more in the background because he will not need constantly to "draw out" the discussion.

Conclusion

A practical conference leader is inclined to ask: "If I have been consuming too much time, what is the desirable amount?" The real solution, however, does not lie in fixing a percentage of the available time. Such a figure would, at best, be a wild guess since no conference can be considered "typical" and therefore no single proportion of leader participation can be labeled as most desirable.

The amount of talking done by a leader will vary with the type of conference and also with the topic. If a leader is consuming more than one fifth of the total conference time, however, it would be wise for him to justify his performance to himself. The important thing is that the individual leader should be aware of the amount of time he is consuming. Improvement in his performance will result from an awareness of the real advantages of the conference method and of the fact that these are lost when the leader does most of the talking.